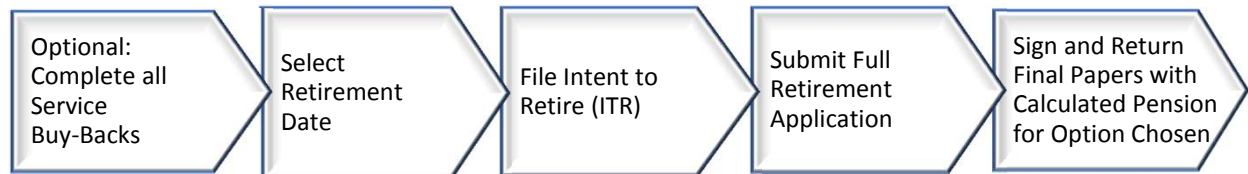


Retirement Checklist and Process

- | | |
|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Intent to Retire (ITR) Form (file 45-60 days before retire). ITR Form available at the Retirement Board <input type="checkbox"/> Photo ID (government-issued) <input type="checkbox"/> Birth certificate for member (government-issued) <input type="checkbox"/> If married or divorced, birth certificate for spouse <input type="checkbox"/> If married or divorced, government-issued marriage certificate <input type="checkbox"/> W-4P tax form <input type="checkbox"/> Direct deposit information form with voided check <input type="checkbox"/> Insurance selection form (health and life) | <ul style="list-style-type: none"> <input type="checkbox"/> If veteran, discharge papers (DD-214) unless submitted previously as part of a buy-back application <input type="checkbox"/> Teachers Only: Certification from School Dept. <input type="checkbox"/> Beneficiary selection form (may need to be notarized) <input type="checkbox"/> Birth certificates for all beneficiaries <input type="checkbox"/> If divorced, any court order or qualified domestic relations order (QDRO) issued by the Court <input type="checkbox"/> If divorced and QDRO, ex-spouse's direct deposit form, voided check, and ex-spouse's W-4P tax form <input type="checkbox"/> If leaving job involuntarily, notice of termination |
|---|---|



Payment and Tax Details

- Retirement allowance is paid once per month on the last Tuesday of the month (your first check will be paid retroactively two months after your retirement date). In November and December, payment is made at least one week early
- Deductions are automatically taken for Health and Life Insurance if applicable
- Deductions may be taken for Credit Unions (for example, loans or Christmas Club)
- Initial tax withholding will be based on your W-4P form filed at the time of retirement. Tax withholding can be changed at any time after the pension starts. Please contact a tax professional for any specific questions or to seek advice
- A cost of living adjustment (COLA) may be added each year. Historically, the COLA has been 3% of the COLA base (currently \$13,000). For example, a \$390 annual increase for retirees with an annual pension of \$13,000 or more

Employment after Retirement

- When you retire, there are limits on the amount of income you may earn if you are re-employed by a public employer. After the first year post-retirement, the income limit is \$15,000 per calendar year above the salary your last position currently earns. The number of hours you work is also limited (960 hours per calendar year). These limits apply to all public employment including contractor, consultant, and small business, not just on-staff full- or part-time positions. Consult www.mass.gov/perac for more details
- The earnings limitations apply only to retirees, not survivors or beneficiaries
- There are no earnings or hour limitations on post-retirement employment in private sector jobs
- You will receive a bi-annual affidavit to update and verify personal information

Retirement Options (Simplified Explanation)*

Selecting a Retirement Option (Option) is how you as the member decide how your retirement allowance will be allotted and what benefits (if any) will be paid to your beneficiaries. Your health at the age of retirement, income from other sources, financial obligations, and the need to provide for others after your death are some of the factors to consider. You must select an Option before the allowance becomes effective. Option B is the default if you do not make a selection. **After retirement starts, the Option selection cannot be changed.**

Option A: Member receives monthly benefits for the rest of their life. No payments are made to beneficiaries after the member's death except for a residual payment for the partial month in which the member died. If there is a balance in the member's account (consisting of a member's retirement deductions during employment plus interest), those funds are absorbed into the retirement system's general fund, not paid to beneficiaries.

Option B: Member receives monthly benefits for the rest of their life, but the amount is typically 1 - 5% lower than under Option A. Upon the member's death, surviving beneficiaries are awarded the remaining balance of the member's account (if any) as a lump sum payment. Typically the member account is depleted within 8-12 years of retirement. If there is no balance remaining when the member dies, no payment will be made to beneficiaries. There are no limits on who a member can select as their Option B beneficiary.

Option C: Commonly known as "joint and last survivor", this Option is the most commonly selected for married couples. Member receives monthly benefits for the rest of their life, but the amount is typically 7 - 15% lower than under Option A and may be even less if the beneficiary is much younger than the member. Upon the member's death, the beneficiary (one person) receives monthly benefits for the rest of their life. Pre-tax payment to the beneficiary is exactly two-thirds the amount formerly paid to the member. The Option C beneficiary must be the member's spouse, former spouse (if unmarried), sibling, child or parent and after retirement the beneficiary cannot be changed. If the beneficiary predeceases the member, the member "pops up" to receive an Option A benefit.

	Option A	Option B	Option C
Monthly Benefits to Member	Yes, until member's death	Yes, until member's death (typically 1-5% less than Option A)	Yes, until member's death (typically 7-15% less than Option A, but may be less if beneficiary is much younger than member)
Account Balance	No payments disbursed	Balance paid in lump sum to last designated beneficiary	No payments disbursed
Monthly Benefits to Beneficiary	None	None	Upon member's death, beneficiary paid 2/3 allowance for beneficiary's lifetime
Beneficiary Selection Limits	None	None	One person. Must be member's spouse, former spouse (if unmarried), sibling, child, or parent
Monthly Check Examples	\$ 900	\$ 855	\$ 765 member, then \$ 510 beneficiary
	\$ 1,800	\$ 1,710	\$ 1,530 member, then \$ 1,020 beneficiary
	\$ 3,000	\$ 2,850	\$ 2,550 member, then \$ 1,700 beneficiary

* Death of the member before retirement, death of beneficiary before the retiree, divorce, remarriage, court orders, the presence of dependents, the circumstances around the member's death, etc. can affect benefits. Refer to www.mass.gov/perac for a more comprehensive explanation of the rules or contact the Boston Retirement Board.